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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2224

02/13/2012 Authored by Banaian, Davids and Downey  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; use tax; authorizing certain taxpayers to file and pay use  
1.3 tax with the income tax return; amending Minnesota Statutes 2010, sections  
1.4 289A.08, subdivision 13; 289A.11, subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2010, section 289A.08, subdivision 13, is amended to  
1.7 read:

1.8 Subd. 13. **Long and short forms; local use tax instructions.** (a) The commissioner  
1.9 shall provide a long form individual income tax return and may provide a short form  
1.10 individual income tax return. The returns shall be in a form that is consistent with the  
1.11 provisions of chapter 290, notwithstanding any other law to the contrary. The nongame  
1.12 wildlife checkoff provided in section 290.431 and the dependent care credit provided in  
1.13 section 290.067 must be included on the short form.

1.14 (b) The commissioner must provide information on local use taxes in the individual  
1.15 income tax instruction booklet. The commissioner must provide this information in the  
1.16 same section of the booklet that provides information on the state use tax.

1.17 (c) The commissioner must provide a line on the individual income tax return  
1.18 allowing the taxpayer to report state and local use tax liability for the previous calendar  
1.19 year as provided in section 289A.11, subdivision 1. Individuals must attest to the amount  
1.20 of their use tax liability. The commissioner must construct and provide in the instructions  
1.21 a table that estimates state and local use tax liability by income brackets, with purchases  
1.22 subject to use tax estimated to equal one percent of household income. Individuals who  
1.23 elect to satisfy use tax liability by estimating it shall calculate the liability in accordance  
1.24 with the use tax table. The estimated liability is applicable only to purchases of any

2.1 individual items each having a sale price no greater than \$1,000. For each taxable item  
2.2 with a sale price greater than \$1,000, the actual use tax liability for each purchase must be  
2.3 added to the amount of the estimated liability derived from the use tax table.

2.4 **EFFECTIVE DATE.** This section is effective for individual income tax forms for  
2.5 taxable years beginning after December 31, 2011.

2.6 Sec. 2. Minnesota Statutes 2010, section 289A.11, subdivision 1, is amended to read:

2.7 Subdivision 1. **Return required.** (a) Except as provided in section 289A.18,  
2.8 subdivision 4, for the month in which taxes imposed by chapter 297A are payable, or for  
2.9 which a return is due, a return for the preceding reporting period must be filed with the  
2.10 commissioner in the form and manner the commissioner prescribes. A person making  
2.11 sales at retail at two or more places of business may file a consolidated return subject to  
2.12 rules prescribed by the commissioner. In computing the dollar amount of items on the  
2.13 return, the amounts are rounded off to the nearest whole dollar, disregarding amounts less  
2.14 than 50 cents and increasing amounts of 50 cents to 99 cents to the next highest dollar.

2.15 (b) Notwithstanding this subdivision, a person who is not required to hold a sales tax  
2.16 permit under chapter 297A and who makes annual purchases, for use in a trade or business,  
2.17 of less than \$18,500, or a person who is not required to hold a sales tax permit and who  
2.18 makes purchases for personal use, that are subject to the use tax imposed by section  
2.19 297A.63, may file an annual use tax return on a form prescribed by the commissioner. If a  
2.20 person who qualifies for an annual use tax reporting period is required to obtain a sales tax  
2.21 permit or makes use tax purchases, for use in a trade or business, in excess of \$18,500  
2.22 during the calendar year, the reporting period must be considered ended at the end of the  
2.23 month in which the permit is applied for or the purchase in excess of \$18,500 is made and  
2.24 a return must be filed for the preceding reporting period.

2.25 (c) Notwithstanding paragraph (a), a person prohibited by the person's religious  
2.26 beliefs from using electronics shall be allowed to file by mail, without any additional fees.  
2.27 The filer must notify the commissioner of revenue of the intent to file by mail on a form  
2.28 prescribed by the commissioner. A return filed under this paragraph must be postmarked  
2.29 no later than the day the return is due in order to be considered filed on a timely basis.

2.30 (d) Notwithstanding this subdivision, a taxpayer eligible to file an annual use tax  
2.31 return under this subdivision may file the return with the income tax return and pay (1)  
2.32 the use tax liability under section 297A.63 and (2) any local use tax liability collected  
2.33 with the state sales and use tax. The tax must be paid by April 15 following the close  
2.34 of the taxable year.

3.1 **EFFECTIVE DATE.** This section is effective for use tax liability incurred in  
3.2 calendar year 2012 and thereafter.